

By: Keffer of Eastland

H.B. No. 3

A BILL TO BE ENTITLED

AN ACT

1
2 relating to property tax relief and protection of taxpayers, taxes
3 and fees, and other matters relating to the financing of public
4 schools; providing civil and criminal penalties.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Section 22.23(a), Tax Code, is amended to read as
7 follows:

8 (a) Rendition statements and property reports must be
9 delivered to the chief appraiser after January 1 and not later than
10 April 1 [~~15~~], except as provided by Section 22.02.

11 SECTION 2. Subchapter C, Chapter 22, Tax Code, is amended by
12 adding Section 22.42 to read as follows:

13 Sec. 22.42. INFORMATION RECORDED IN COUNTY DEED RECORDS.
14 At the request of the chief appraiser, the county clerk of the
15 county for which the appraisal district is established shall
16 provide to the chief appraiser any information recorded in the real
17 property deed records of the county that the chief appraiser
18 considers to be useful in determining the market value of real
19 property in the county.

20 SECTION 3. Section 23.0101, Tax Code, is amended to read as
21 follows:

22 Sec. 23.0101. CONSIDERATION OF ALTERNATE APPRAISAL
23 METHODS. In determining the market value of property, the chief
24 appraiser shall consider the cost, income, and market data

1 comparison methods of appraisal as well as any other method of
2 appraisal the chief appraiser determines to be accurate and use the
3 most appropriate method.

4 SECTION 4. Section 25.01(a), Tax Code, is amended to read as
5 follows:

6 (a) By May 15 [~~or as soon thereafter as practicable,~~] the
7 chief appraiser shall prepare appraisal records listing all
8 property that is taxable in the district and stating the appraised
9 value of each.

10 SECTION 5. Section 33.01(a), Tax Code, is amended to read as
11 follows:

12 (a) A delinquent tax incurs a penalty of six percent of the
13 amount of the tax for the first calendar month it is delinquent plus
14 one percent for each additional month or portion of a month the tax
15 remains unpaid prior to August [~~July~~] 1 of the year in which it
16 becomes delinquent. However, a tax delinquent on August [~~July~~] 1
17 incurs a total penalty of 13 [~~twelve~~] percent of the amount of the
18 delinquent tax without regard to the number of months the tax has
19 been delinquent. A delinquent tax continues to incur the penalty
20 provided by this subsection as long as the tax remains unpaid,
21 regardless of whether a judgment for the delinquent tax has been
22 rendered.

23 SECTION 6. (a) Section 45.003, Education Code, is amended
24 by amending Subsection (d) and adding Subsections (e) and (f) to
25 read as follows:

26 (d) A proposition submitted to authorize the levy of
27 maintenance taxes must include the question of whether the

1 governing board or commissioners court may levy, assess, and
2 collect annual ad valorem taxes for the further maintenance of
3 public schools, at a rate not to exceed the rate, which may be not
4 more than \$1.00 [~~\$1.50~~] on the \$100 valuation of taxable property in
5 the district, stated in the proposition.

6 (e) An election held before September 1, 2005, authorizing a
7 maintenance tax at a rate of at least \$1.00 on the \$100 valuation of
8 taxable property in the district is sufficient to authorize a rate
9 of \$1.00 or less.

10 (f) A district permitted by special law on January 1, 2005,
11 to impose an ad valorem tax at a rate greater than \$1.50 may
12 continue to impose a rate that is \$0.50 less than the rate
13 previously authorized.

14 (b) This section takes effect January 1, 2007.

15 SECTION 7. (a) Section 151.0038(b), Tax Code, is amended to
16 read as follows:

17 (b) In this section, "newspaper" means a publication that is
18 printed on newsprint, the average sales price of which for each copy
19 over a 30-day period does not exceed \$1.50, and that is printed and
20 distributed at a daily, weekly, or other short interval for the
21 dissemination of news of a general character and of a general
22 interest. "Newspaper" does not include a magazine, handbill,
23 circular, flyer, sales catalog, or similar printed item unless the
24 printed item is printed for distribution as a part of a newspaper
25 and is actually distributed as a part of a newspaper. For the
26 purposes of this section, an advertisement is news of a general
27 character and of a general interest. Notwithstanding any other

1 provision of this subsection, "newspaper" includes:

2 (1) a publication containing articles and essays of
3 general interest by various writers and advertisements that is
4 produced for the operator of a licensed and certified carrier of
5 persons and distributed by the operator to its customers during
6 their travel on the carrier; and

7 (2) a publication for the dissemination of news of a
8 general character and of a general interest that is printed on
9 newsprint and distributed to the general public free of charge at a
10 daily, weekly, or other short interval [~~has the meaning assigned by~~
11 ~~Section 151.319(f)~~].

12 (b) Sections 151.319 and 151.320, Tax Code, are repealed.

13 (c) This section takes effect September 1, 2005.

14 SECTION 8. (a) Section 154.021(b), Tax Code, is amended to
15 read as follows:

16 (b) The tax rates are:

17 (1) \$70.50 [~~\$20.50~~] per thousand on cigarettes
18 weighing three pounds or less per thousand; and

19 (2) the rate provided by Subdivision (1) plus \$2.10
20 per thousand on cigarettes weighing more than three pounds per
21 thousand.

22 (b) This section takes effect September 1, 2005.

23 SECTION 9. (a) Chapter 171, Tax Code, is repealed.

24 (b) Chapter 171, Tax Code, and Subtitle B, Title 2, Tax
25 Code, continue to apply to audits, deficiencies, redeterminations,
26 and refunds of any tax due or collected under that chapter until
27 barred by limitations.

1 (c) The repeal of Chapter 171, Tax Code, by this part does
2 not affect:

3 (1) the status of a corporation that has had its
4 corporate privileges, certificate of authority, or corporate
5 charter revoked, a suit filed against it, or a receiver appointed
6 under Subchapter F, G, or H of that chapter;

7 (2) the ability of the comptroller, secretary of
8 state, or attorney general to take action against a corporation
9 under those subchapters for actions that took place before the
10 repeal; or

11 (3) the right of a corporation to contest a
12 forfeiture, revocation, lawsuit, or appointment of a receiver under
13 those subchapters.

14 (d) This section takes effect January 1, 2006.

15 SECTION 10. [Reserved for expansion]

16 SECTION 11. (a) Chapter 111, Tax Code, is amended by adding
17 Subchapter H to read as follows:

18 SUBCHAPTER H. FORFEITURE OF RIGHT TO

19 TRANSACT BUSINESS IN THIS STATE

20 Sec. 111.401. APPLICABILITY OF SUBCHAPTER. This subchapter
21 applies to a taxpayer that is a corporation, banking corporation,
22 limited liability company, state or federal savings and loan
23 association, and any other kind of business association, company,
24 joint venture, partnership, or other combination of entities or
25 persons engaged in business that qualifies under the law of this
26 state for liability limitations for its owners or shareholders that
27 are substantially equivalent to those for a corporation.

Sec. 111.402. APPLICATION TO NONCORPORATE ENTITIES. (a)

The comptroller may, for the same reasons and using the same procedures the comptroller uses in relation to the forfeiture of the corporate privileges of a corporation, forfeit the right to transact business in this state of another entity to which this subchapter applies that is subject to a tax imposed by this title.

(b) The comptroller may, for the same reasons and using the same procedures the comptroller uses in relation to the forfeiture of a corporation's charter or certificate of authority, forfeit the certificate or registration of another entity to which this subchapter applies that is subject to a tax imposed by this title.

(c) The provisions of this subchapter, including Section 111.407, that apply to the forfeiture of a corporation's corporate privileges and charter or certificate of authority apply to the forfeiture of another entity's right to transact business in this state and certificate or registration.

Sec. 111.403. FORFEITURE OF CORPORATE PRIVILEGES. The comptroller shall forfeit the corporate privileges of a corporation on which a tax is imposed under this title if the corporation:

(1) does not file, in accordance with this title and on or before the 45th day after the date notice of forfeiture is mailed, a report required by this title; or

(2) does not pay, on or before the 45th day after the date notice of forfeiture is mailed, a tax imposed under this title or does not pay, on or before the 45th day, a penalty imposed relating to that tax.

Sec. 111.404. EFFECTS OF FORFEITURE. If the corporate

1 privileges of a corporation are forfeited under this subchapter:

2 (1) the corporation shall be denied the right to sue or
3 defend in a court of this state; and

4 (2) each director or officer of the corporation is
5 liable for a debt of the corporation as provided by Section 111.407.

6 Sec. 111.405. SUIT ON CAUSE OF ACTION ARISING BEFORE
7 FORFEITURE. In a suit against a corporation on a cause of action
8 arising before the forfeiture of the corporate privileges of the
9 corporation, affirmative relief may not be granted to the
10 corporation unless its corporate privileges are revived under this
11 subchapter.

12 Sec. 111.406. EXCEPTION TO FORFEITURE. The forfeiture of
13 the corporate privileges of a corporation does not apply to the
14 privilege to defend in a suit to forfeit the corporation's charter
15 or certificate of authority.

16 Sec. 111.407. LIABILITY OF DIRECTOR AND OFFICERS. (a) If
17 the corporate privileges of a corporation are forfeited for the
18 failure to file a report or pay a tax or penalty imposed under this
19 title, each director or officer of the corporation is liable for
20 each debt of the corporation that is created or incurred in this
21 state after the date on which the report, tax, or penalty is due and
22 before the corporate privileges are revived. The liability
23 includes liability for any tax or penalty imposed under this title
24 on the corporation that becomes due and payable after the date of
25 the forfeiture.

26 (b) The liability of a director or officer is in the same
27 manner and to the same extent as if the director or officer were a

1 partner and the corporation were a partnership.

2 (c) A director or officer is not liable for a debt of the
3 corporation if the director or officer shows that the debt was
4 created or incurred:

5 (1) over the director's objection; or

6 (2) without the director's knowledge and that the
7 exercise of reasonable diligence to become acquainted with the
8 affairs of the corporation would not have revealed the intention to
9 create the debt.

10 (d) If a corporation's charter or certificate of authority
11 and its corporate privileges are forfeited and revived under this
12 subchapter, the liability under this section of a director or
13 officer of the corporation is not affected by the revival of the
14 charter or certificate and the corporate privileges.

15 Sec. 111.408. NOTICE OF FORFEITURE. (a) If the comptroller
16 proposes to forfeit the corporate privileges of a corporation, the
17 comptroller shall notify the corporation that the forfeiture will
18 occur without a judicial proceeding unless the corporation:

19 (1) files, within the time established by Section
20 111.403, the report to which that section refers; or

21 (2) pays, within the time established by Section
22 111.403, the delinquent tax and penalty to which that section
23 refers.

24 (b) The notice shall be written or printed and shall be
25 verified by the seal of the comptroller's office.

26 (c) The comptroller shall mail the notice to the corporation
27 not later than the 45th day before the forfeiture of corporate

1 privileges. The notice shall be addressed to the corporation and
2 mailed to the address named in the corporation's charter as its
3 principal place of business or to another known place of business of
4 the corporation.

5 (d) The comptroller shall keep at the comptroller's office a
6 record of the date on which the notice is mailed. For the purposes
7 of this subchapter, the notice and the record of the mailing date
8 constitute legal and sufficient notice of the forfeiture.

9 Sec. 111.409. JUDICIAL PROCEEDING NOT REQUIRED FOR
10 FORFEITURE. The forfeiture of the corporate privileges of a
11 corporation is effected by the comptroller without a judicial
12 proceeding.

13 Sec. 111.410. REVIVAL OF CORPORATE PRIVILEGES. The
14 comptroller shall revive the corporate privileges of a corporation
15 if the corporation, before the forfeiture of its charter or
16 certificate of authority, pays any tax, penalty, or interest due
17 under this title.

18 Sec. 111.411. BANKING CORPORATIONS AND SAVINGS AND LOAN
19 ASSOCIATIONS. (a) Except as provided by Subsection (b), this
20 subchapter does not apply to a banking corporation that is
21 organized under the laws of this state or under federal law and has
22 its main office in this state.

23 (b) The banking commissioner shall appoint a conservator
24 under Subtitle A, Title 3, Finance Code, to pay the tax of a banking
25 corporation that is organized under the laws of this state and that
26 the commissioner certifies as being delinquent in the payment of
27 the corporation's tax.

1 Sec. 111.412. SAVINGS AND LOAN ASSOCIATION. (a) Except as
2 provided by Subsection (b), this subchapter does not apply to a
3 savings and loan association that is organized under the laws of
4 this state or under federal law and has its main office in this
5 state.

6 (b) The savings and loan commissioner shall appoint a
7 conservator under Subtitle B or C, Title 3, Finance Code, to pay the
8 tax of a savings and loan association that is organized under the
9 laws of this state and that the commissioner certifies as being
10 delinquent in the payment of the association's tax.

11 Sec. 111.413. GROUNDS FOR FORFEITURE OF CHARTER OR
12 CERTIFICATE OF AUTHORITY. It is a ground for the forfeiture of a
13 corporation's charter or certificate of authority if the corporate
14 privileges of the corporation are forfeited under this subchapter
15 and the corporation does not pay, on or before the 120th day after
16 the date the corporate privileges are forfeited, the amount
17 necessary for the corporation to revive under this subchapter its
18 corporate privileges.

19 Sec. 111.414. CERTIFICATION BY COMPTROLLER. After the
20 120th day after the date the corporate privileges of a corporation
21 are forfeited under this subchapter, the comptroller shall certify
22 the name of the corporation to the attorney general and the
23 secretary of state.

24 Sec. 111.415. SUIT FOR JUDICIAL FORFEITURE. On receipt of
25 the comptroller's certification, the attorney general shall bring
26 suit to forfeit the charter or certificate of authority of a
27 corporation if a ground exists for the forfeiture of the charter or

1 certificate.

2 Sec. 111.416. RECORD OF JUDICIAL FORFEITURE. (a) If a
3 district court forfeits a corporation's charter or certificate of
4 authority under this subchapter, the clerk of the court shall
5 promptly mail to the secretary of state a certified copy of the
6 court's judgment. On receipt of the copy of the judgment, the
7 secretary of state shall inscribe on the corporation's record at
8 the secretary's office the words "Judgment of Forfeiture" and the
9 date of the judgment.

10 (b) If a court forfeits a corporation's charter or
11 certificate of authority under this subchapter, the court may
12 appoint a receiver for the corporation and may administer the
13 receivership under the laws relating to receiverships.

14 (c) If an appeal of the judgment is perfected, the clerk of
15 the court shall promptly certify to the secretary of state that the
16 appeal has been perfected. On receipt of the certification, the
17 secretary of state shall inscribe on the corporation's record at
18 the secretary's office the word "Appealed" and the date on which the
19 appeal was perfected.

20 (d) If final disposition of an appeal is made, the clerk of
21 the court making the disposition shall promptly certify to the
22 secretary of state the type of disposition made and the date of the
23 disposition. On receipt of the certification, the secretary of
24 state shall inscribe on the corporation's record at the secretary's
25 office a brief note of the type of final disposition made and the
26 date of the disposition.

27 Sec. 111.417. REVIVAL OF CHARTER OR CERTIFICATE OF

1 AUTHORITY AFTER JUDICIAL FORFEITURE. A corporation whose charter
2 or certificate of authority is judicially forfeited under this
3 subchapter is entitled to have its charter or certificate revived
4 and to have its corporate privileges revived if:

5 (1) the corporation files each report that is required
6 by this title and that is delinquent;

7 (2) the corporation pays the tax, penalty, and
8 interest that is imposed under this title and that is due at the
9 time the suit under Section 111.418 to set aside forfeiture is
10 filed; and

11 (3) the forfeiture of the corporation's charter or
12 certificate is set aside in a suit under Section 111.418.

13 Sec. 111.418. SUIT TO SET ASIDE JUDICIAL FORFEITURE. If a
14 corporation's charter or certificate of authority is judicially
15 forfeited under this subchapter, a stockholder, director, or
16 officer of the corporation at the time of the forfeiture of the
17 charter or certificate or of the corporate privileges of the
18 corporation may bring suit in a district court of Travis County in
19 the name of the corporation to set aside the forfeiture of the
20 charter or certificate. The suit must be in the nature of a bill of
21 review. The secretary of state and attorney general must be made
22 defendants in the suit.

23 Sec. 111.419. RECORD OF SUIT TO SET ASIDE JUDICIAL
24 FORFEITURE. If a court under this subchapter sets aside the
25 forfeiture of a corporation's charter or certificate of authority,
26 the secretary of state shall inscribe on the corporation's record
27 in the secretary's office the words "Charter Revived by Court

1 Order" or "Certificate Revived by Court Order," a citation to the
2 suit, and the date of the court's judgment.

3 Sec. 111.420. CORPORATE PRIVILEGES AFTER JUDICIAL
4 FORFEITURE IS SET ASIDE. If a court under this subchapter sets
5 aside the forfeiture of a corporation's charter or certificate of
6 authority, the comptroller shall revive the corporate privileges of
7 the corporation and shall inscribe on the corporation's record in
8 the comptroller's office a note of the revival.

9 Sec. 111.421. FORFEITURE BY SECRETARY OF STATE. The
10 secretary of state may forfeit the charter or certificate of
11 authority of a corporation if:

12 (1) the secretary receives the comptroller's
13 certification under Section 111.414;

14 (2) the corporation does not revive its forfeited
15 corporate privileges on or before the 120th day after the date that
16 the corporate privileges were forfeited; and

17 (3) the corporation does not have assets from which a
18 judgment for any tax, penalty, or court costs imposed by this title
19 may be satisfied.

20 Sec. 111.422. JUDICIAL PROCEEDING NOT REQUIRED FOR
21 FORFEITURE BY SECRETARY OF STATE. The forfeiture by the secretary
22 of state of a corporation's charter or certificate of authority
23 under this subchapter is effected without a judicial proceeding.

24 Sec. 111.423. RECORD OF FORFEITURE BY SECRETARY OF STATE.
25 The secretary of state shall effect a forfeiture of a corporation's
26 charter or certificate of authority under this subchapter by
27 inscribing on the corporation's record in the secretary's office

1 the words "Charter Forfeited" or "Certificate Forfeited," the date
2 on which this inscription is made, and a citation to this subchapter
3 as authority for the forfeiture.

4 Sec. 111.424. REVIVAL OF CHARTER OR CERTIFICATE OF
5 AUTHORITY AFTER FORFEITURE BY SECRETARY OF STATE. A corporation
6 whose charter or certificate of authority is forfeited under this
7 subchapter by the secretary of state is entitled to have its charter
8 or certificate revived and to have its corporate privileges revived
9 if:

10 (1) the corporation files each report that is required
11 by this title and that is delinquent;

12 (2) the corporation pays the tax, penalty, and
13 interest that is imposed by this title and that is due at the time
14 the request under Section 111.425 to set aside forfeiture is made;
15 and

16 (3) the forfeiture of the corporation's charter or
17 certificate is set aside in a proceeding under Section 111.425.

18 Sec. 111.425. PROCEEDING TO SET ASIDE FORFEITURE BY
19 SECRETARY OF STATE. (a) If a corporation's charter or certificate
20 of authority is forfeited under this subchapter by the secretary of
21 state, a stockholder, director, or officer of the corporation at
22 the time of the forfeiture of the charter or certificate or of the
23 corporate privileges of the corporation may request in the name of
24 the corporation that the secretary of state set aside the
25 forfeiture of the charter or certificate.

26 (b) If a request is made, the secretary of state shall
27 determine if each delinquent report has been filed and any

1 delinquent tax, penalty, or interest has been paid. If each report
2 has been filed and the tax, penalty, or interest has been paid, the
3 secretary shall set aside the forfeiture of the corporation's
4 charter or certificate of authority.

5 Sec. 111.426. CORPORATE PRIVILEGES AFTER FORFEITURE BY
6 SECRETARY OF STATE IS SET ASIDE. If the secretary of state sets
7 aside under this subchapter the forfeiture of a corporation's
8 charter or certificate of authority, the comptroller shall revive
9 the corporate privileges of the corporation.

10 Sec. 111.427. USE OF CORPORATE NAME AFTER REVIVAL OF
11 CHARTER OR CERTIFICATE OF AUTHORITY. If a corporation's charter or
12 certificate of authority is forfeited under this subchapter by the
13 secretary of state and if the corporation requests the secretary to
14 set aside the forfeiture under Section 111.425, the corporation
15 shall determine from the secretary whether the corporation's name
16 is available for use. If the name is not available, the corporation
17 shall amend its charter or certificate to change its name.

18 (b) This section takes effect January 1, 2006.

19 SECTION 12. (a) Section 57.048, Utilities Code, is amended
20 by amending Subsections (c) and (d) and adding Subsections (f)-(i)
21 to read as follows:

22 (c) The total amount deposited to the credit of the fund,
23 excluding interest and loan repayments, may not exceed \$1.76
24 [~~\$1.75~~] billion. Not later than August 31 of each year, the
25 comptroller shall determine the total amount, excluding interest
26 and loan repayments, that has been deposited to the credit of the
27 fund during that fiscal year and the preceding fiscal years. If the

1 comptroller determines that a total of \$1.51 [~~\$1.5~~] billion or
2 more, excluding interest and loan repayments, has been deposited to
3 the credit of the fund, the comptroller shall impose the assessment
4 during the next fiscal year at a rate that the comptroller estimates
5 is sufficient to produce the amount necessary to result in the
6 deposit in the fund of a total of not more than \$1.76 [~~\$1.75~~]
7 billion, excluding interest and loan repayments.

8 (d) The comptroller may not collect the assessment during a
9 fiscal year if the comptroller determines after the yearly review
10 that the total amount deposited to the credit of the fund during
11 that fiscal year and the preceding fiscal years is \$1.75 [~~\$1.74~~]
12 billion or more, excluding interest and loan repayments, and it is
13 not possible to impose the assessment during the next fiscal year at
14 a practical rate without collecting more than a total of \$1.76
15 [~~\$1.75~~] billion, excluding interest and loan repayments.

16 (f) Notwithstanding any other provision of this title, a
17 certificated telecommunications utility may recover from the
18 utility's customers an assessment imposed on the utility under this
19 subchapter after the total amount deposited to the credit of the
20 fund, excluding interest and loan repayments, is equal to \$1.5
21 billion, as determined by the comptroller. A certificated
22 telecommunications utility may recover only the amount of the
23 assessment imposed after the total amount deposited to the credit
24 of the fund, excluding interest and loan repayments, is equal to
25 \$1.5 billion, as determined by the comptroller. The utility may
26 recover the assessment through a monthly billing process.

27 (g) The comptroller shall publish in the Texas Register the

1 date on which the total amount deposited to the credit of the fund,
2 excluding interest and loan repayments, is equal to \$1.5 billion.

3 (h) Not later than February 15 of each year, a certificated
4 telecommunications utility that wants to recover the assessment
5 under Subsection (f) shall file with the commission an affidavit or
6 affirmation stating the amount that the utility paid to the
7 comptroller under this section during the previous calendar year
8 and the amount the utility recovered from its customers in
9 cumulative payments during that year.

10 (i) The commission shall maintain the confidentiality of
11 information the commission receives under this section that is
12 claimed to be confidential for competitive purposes. The
13 confidential information is exempt from disclosure under Chapter
14 552, Government Code.

15 (b) Section 57.051, Utilities Code, is amended to read as
16 follows:

17 Sec. 57.051. SUNSET PROVISION. The Telecommunications
18 Infrastructure Fund [~~Board~~] is subject to Chapter 325, Government
19 Code (Texas Sunset Act). Unless continued in existence as provided
20 by that chapter, [~~the board is abolished and~~] this subchapter
21 expires September 1, 2007 [~~2005~~].

22 (c) If, on the day before the effective date of this
23 section, the assessment prescribed by Section 57.048, Utilities
24 Code, is imposed at a rate of less than 1.25 percent, the
25 comptroller shall, effective September 1, 2005, reset the rate of
26 the assessment to 1.25 percent.

27 (d) This section takes effect September 1, 2005.

1 SECTION 13. Subchapter F, Chapter 466, Government Code, is
2 amended by adding Section 466.253 to read as follows:

3 Sec. 466.253. PURCHASE OF TICKET AT MOTOR FUEL PUMP. (a)

4 In this section:

5 (1) "Credit card transaction" and "lender credit card
6 agreement" have the meanings assigned to those terms by Section
7 301.002, Finance Code.

8 (2) "Self-service motor fuel pump" means a
9 self-service motor fuel dispenser for the retail sale of motor fuel
10 operated by a motor fuel retailer.

11 (3) "Self-service ticket sales terminal" means an
12 electronic device:

13 (A) that is integrated into an operating
14 self-service motor fuel pump; and

15 (B) from which a ticket, other than a scratch-off
16 or similar instant-win ticket, can be purchased directly by the
17 purchaser without the assistance of a sales agent or an employee of
18 a sales agent.

19 (b) A person may purchase a ticket from a self-service
20 ticket sales terminal located on the premises of a sales agent in
21 accordance with this section during a motor fuel purchase made:

22 (1) after the person has begun depositing motor fuel
23 into a motor vehicle; and

24 (2) through a credit card transaction under a lender
25 credit card agreement.

26 (c) The self-service ticket sales terminal must be located
27 so that a person purchasing a ticket is in the direct line of sight

1 of the sales agent or an employee of a sales agent.

2 (d) The sales agent or employee of the sales agent must have
3 the ability to remotely terminate a transaction if the sales agent
4 or employee witnesses the purchase of a ticket at a self-service
5 ticket sales terminal by an individual who is or appears to be
6 younger than 18 years of age.

7 (e) The self-service ticket sales terminal must include a
8 display or decal informing purchasers that individuals younger than
9 18 years of age are prohibited from purchasing tickets.

10 SECTION 14. Section 466.305, Government Code, is amended by
11 adding Subsection (c) to read as follows:

12 (c) It is a defense to prosecution under Subsection (a) that
13 the ticket is sold to a person by extending credit to the person
14 through a ticket sale authorized by Section 466.253.

15 SECTION 15. Section 466.3052(a), Government Code, is
16 amended to read as follows:

17 (a) A person commits an offense if the person intentionally
18 or knowingly sells a ticket and the person accepts anything other
19 than the following as payment for the ticket:

- 20 (1) United States currency;
- 21 (2) a negotiable instrument in the form of a check that
22 meets the requirements of Section 3.104, Business & Commerce Code;
- 23 (3) a debit made through a financial institution debit
24 card;
- 25 (4) a coupon or voucher issued by the commission for
26 purposes of purchasing a lottery ticket; ~~[or]~~
- 27 (5) a mail order subscription on a mail order

1 subscription form authorized by the commission; or
2 (6) for a ticket sale authorized by Section 466.253,
3 credit made through a lender credit card agreement as defined by
4 Section 301.002, Finance Code.

5 SECTION 16. The changes in law made by this Act to Title 1,
6 Tax Code, take effect January 1, 2006, and apply only to an ad
7 valorem tax year that begins on or after that date.

8 SECTION 17. Except as provided by the other sections of this
9 Act, this Act takes effect September 1, 2005.